

Budget Unit Brief

FY 2017



State Peace Officers Council Sick Leave Payout

Purpose and History

Peace officers in the Department of Public Safety (DPS) are entitled to utilize the value of their accumulated and unused sick leave at retirement for the payment of health and/or life insurance. Employees covered by the State Police Officers' Council (SPOC) collective bargaining agreement are provided the benefit through Article XI, Section 8, paragraph E of the SPOC agreement. Supervisors not covered by the collective bargaining agreement, are granted the same benefit through Code Sections [70A.1\(b\)\(4\)](#) and [70A.23\(4\)](#). The benefit is further defined in [11](#) Iowa Administrative Code chapter [64](#).

The value of an employee's sick leave bank is determined by multiplying the hourly rate of compensation at the time of retirement by the accumulated and unused hours of sick leave credited to the employee. This value is credited to an employee's account and used to pay the costs of health and/or life insurance until the account is exhausted. Peace officer employees may utilize their sick leave bank for continuation of a state group insurance plan, or may utilize the sick leave bank for payment of premiums through another carrier. If the retired peace officer passes away before the sick leave bank is exhausted, any remaining value is transferable to a surviving spouse for the payment of health and/or life insurance premiums of the spouse and any dependent children. If the spouse predeceases the officer and there are no dependent children, the value of the sick leave bank is considered exhausted.

For officers in the DPS, the payment of premiums is made on a cash basis (at the time the premiums are due) rather than on an accrual or fully funded basis. Prior to FY 2001, there was no reserve fund in existence for payments. The DPS had been setting aside money to "fully fund" the liability for the sick leave bank of employees that were believed likely to retire only to have the employee elect to retire at a later date. This resulted in funds being set aside that could not be used for other critical needs and subsequently reverted to the General Fund. In FY 2002, a separate appropriation was established utilizing appropriations diverted from the Iowa State Patrol budget to provide a regular funding stream for these expenses on a cash basis.

Funding

Monthly premiums average \$65,000 while the annual actual expense is approximately \$800,000. Funding from the General Fund for the past ten years has averaged approximately \$286,000 annually. Money in the Fund is permitted to carry forward and interest earned is permitted to remain in the Fund. Decreases to this appropriation have resulted from across-the-board reductions. The difference between the appropriation and the actual expense must come from the operating budgets of the divisions of the retiring peace officers.

Related Statutes and Administrative Rules

Iowa Code chapter [70A](#) and [80](#)
[11](#) and [661](#) Iowa Administrative Code

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More Information

Department of Public Safety: <http://www.dps.state.ia.us/>

Iowa General Assembly: <https://www.legis.iowa.gov/>

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